GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Labour Department – Ease of doing business – Introduction of online inspection system in Labour Department to ensuring simplification, transparency and accountability of inspections and ease of compliance of law by the industry – Online inspection portal launched – Instructions on conduct of online inspections – Orders - Issued.

LABOUR EMPLOYMENT TRAINING AND FACTORIES (Labour.II) DEPARTMENT

G.O.Ms.No.27. Dated.31.05.2016.

Read the following:

1. G.O.Ms.No.33 of LET&F Department, Dated:27.08.2002.
2. DIPP, GoI recommendations 2016 communicated through D.O.Lr.No. 12-1-2015/SDP, dated 02.11.2015 of the Secretary, Industries Department, Govt. of A.P.,
3. From the Commissioner of Labour, Andhra Pradesh, Hyderabad, Lr.No.I/2465/2015, Dt:18.2.2016 & Dt:23.2.2016.
4. G.O.Ms.No.9 of LET&F(Lab.II) Department, dated 27.02.2016.
5. From the Commissioner of Labour, Andhra Pradesh, Hyderabad, Lr.No.I/2465/2015, Dt:26.5.2016.

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O R D E R:

In the G.O.1st read above, the Government have issued orders prescribing systematized inspection procedure to be followed in the Labour Department with a view to regulate the inspections conducted by the inspecting officers from the level of Assistant Labour officer to the Joint Commissioner of Labour, giving specific responsibility and accountability in taking up inspections of various categories of establishments along with its allocation depending up on number of employees and category of the establishment etc., under the labour laws.

2. In the letter 3rd read above, the Commissioner of Labour, Andhra Pradesh, Hyderabad while stating the circumstances regarding advise for compliance of recommendations/interventions, 2016 of Department of Industrial policy and promotion (DIPP), Ministry of Commerce and Industry, Government of India, which includes online inspection of establishments under labour laws and furnished the proposal for Online inspection system in Labour Department to ensuring simplification, transparency and accountability of inspections and secure compliance of the recommendations of DIPP 2016, GOI for ease of doing business & ease of compliance of law by the industry and requested for orders for Online Inspection procedure in the Labour Department.

3. Accordingly, the Government in the G.O. 4th read above have issued orders introducing online inspection system in Labour department and accordingly the web based online inspection system (online inspection portal) introduced in November, 2015 on trial mode has been launched on regular basis from 1st March, 2016.

4. In the letter 5th read above, the Commissioner of Labour, Andhra Pradesh, Hyderabad has furnished proposal for modification of the existing Online Inspection system in Labour Department for total compliance of DIPP recommendations, 2016 to provide for third party certification by the medium risk establishments instead of inspection by the Department and also certain other changes to the inspection system and online application, as per the discussions held in the review meeting on 07.05.2016 by the Industries & Commerce Department on status of compliance of DIPP recommendations,

2016 and requested for revised orders in supersession of orders issued in G.O. 4th read above.

5. After careful examination of the matter, the Government hereby issue the following revised online inspection procedure for online inspection system in Labour department in continuation of the orders issued in the G.O. 1st read above and in supersession of the orders issued in the G.O. 4th read above with a view to comply totally with the DIPP recommendations 2016, towards ease of doing business and ease of compliance of law while ensuring simplification, transparency and accountability in Governance. The Acts covered under online inspection system are:

1. Minimum Wages Act, 1948
2. A.P. Shops & Establishments Act, 1988
3. Building and Other Construction Workers (RE&CS) Act, 1996
4. Contract Labour (R&A)Act, 1970
5. Inter State Migrant Workmen (COE) Act, 1979
6. Child Labour (P&R) Act, 1986
7. Maternity Benefit Act, 1961
8. Motor Transport Workers Act, 1966
9. A.P. Labour Welfare Fund Act, 1987
10. Payment of Bonus Act, 1965
11. Payment of Gratuity Act, 1972
12. Equal Remuneration Act, 1976
13. A.P. Factories (National, Festival & other Holidays) Act, 1974
14. Payment of Wages Act, 1936
15. Industrial Employment Standing orders Act, 1946
16. Working Journalists Act, 1955
17. Sales Promotion Employees (COS) Act, 1976
18. Beedi & Cigar Workers Act, 1966
19. Plantation Labour Act, 1951
20. Cine Workers and Cinema Theatre Workers Act, 1981

1. Establishment: Establishment as defined under the respective Labour Laws specified above.

2. Inspecting officers:

Asst. Labour Officer, Asst. Commissioner of Labour, Deputy Commissioner of Labour, Joint Commissioner of Labour, Additional Commissioner of Labour and Commissioner of Labour are the inspecting officers.

3. Supervisory officers:

Sl.No.	Inspecting officer	Supervisory officer
1.	Asst. Labour Officer	Asst. Commissioner of Labour
2.	Asst. Commissioner of Labour	Dy. Commissioner of Labour
3.	Dy. Commissioner of Labour	Jt. Commissioner of Labour
4.	Jt. Commissioner of Labour	Commissioner of Labour
5.	Additional Commissioner of Labour	

The officers specified in column No.3 above are the supervisory officers in respect of the inspecting officers specified in column No.2.

4. Data base of Establishments:

The following are the sources of data base of establishments for online inspection.

1. Data of establishments registered / renewed online / through mee-seva under A.P. (Issuance of Integrated Registration and Furnishing of Combined Returns under Various Labour Laws By Certain Establishments) Act, 2015.

2. Data of Shops & Establishments, Motor Transport Undertakings, Factories, Societies and Trusts covered under A.P. Labour Welfare Fund Act, 1987 furnished by NIC.

3. Data of Factories furnished by Factories Department.

4. Establishments submitted online combined annual return and not complied with the provisions of the labour Acts applicable.

5. Complaints received through online complaint portal.

5. Risk based Selection of Establishments for online inspection:

Selection of establishments for online inspection shall be on Risk assessment on the following criteria:

1. Number of workers
2. Nature of activity of the establishment
3. Number of contract workers
4. Status of compliance on the basis of combined annual return / online inspection (rating of compliance to be given by the department as prescribed by the Commissioner of Labour)
5. Complaints (from workers, trade unions, managements, citizens etc.)
6. Compulsory Inspections (ex: Orders of Courts and other Judicial Institutions like Lok-ayukta, HRC etc.
7. An establishment inspected in a year will not be inspected in the next two years.

6. Random allocation of establishments and inspectors for online inspection:

System randomly allocates establishments to the inspecting officers and inspecting officers to the establishments. In case of inspection of an establishment in the area other than the jurisdiction of inspecting officer, the inspecting officer having administrative jurisdiction shall take up follow up action.

System ensures that the same establishment is not allotted to the same inspector for a period of 3 years.

7. Risk based assessment and categorization of establishments:

(a) Risk categorization on the basis of number of workers:

Risk in the perspective of the Labour department for categorization into high risk, medium risk and low risk

establishments relates to risk to the workers in terms of their entitlement viz. wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety & health, welfare and social security measures like gratuity, EPF, ESI, accident compensation etc.

Experience of the department indicates that the smaller the establishment the less is the compliance. Therefore small establishments employing up to 300 workers (including contract workers) are categorized as high risk establishments.

Establishments having more than 300 workers (including contract workers) generally comply with the labour laws to a reasonable extent due to their resourcefulness and further compliance may be secured by persuasion. These establishments are categorized as medium risk establishments.

All establishments having no employees are categorized as low risk establishments and totally excluded from inspection system.

(b) Risk categorization on the basis of number of contract workers engaged:

There are certain establishments employing large number of contract workers in some cases more than the number of regular workers. In such establishments the terms and conditions of employment of regular workers and contract workers are totally different and contract workers are prone to exploitation. The contract establishments of all such establishments employing contract workers exceeding 25 % of total workers of the Principal Employer establishment are categorized as high risk establishments.

(c) Risk categorization on the basis of nature of activity of the establishment:

In certain activities workers are prone to exploitation besides risk of accidents and health hazards.

High Risk Establishments:

The establishments undertaking the following activities are categorized as high risk establishments.

1.Automobile engineering workshops including servicing and repairs, 2. brick kilns, 3.cashew processing, 4.chemicals and pharmaceuticals, 5.cinema industry, 6. colour printing and yarn dying, 7.construction or maintenance of roads and buildings, 8. Cotton ginning and pressing, 9.Glass industry, 10. Hotels, restaurants and eating houses, 11. Jute and coir, 12.Khandasari Factories, 13.Lime kilns, 14. Match and fire works, 15. Metal foundries and general engineering,16. Mica works, 17. Petrol bunks, 18.Power loom industry, 19.Motor transport undertakings, 20.Rice Mills, flour mills, dal mills, oil mills, saw mills, 21. Steel mills and steel-rerolling mills, 22. stone breaking and stone crushing operations, 23. Tanneries and leather manufactory, 24.Tiles and potteries, 25. Tobacco including beedi making, 26. Security services, 27. Spinning mills, 28. Baking process including biscuit manufactory, 29.Cement concrete pipes, 30. Cotton carpet

weaving, 31.distilleries and breweries, 32. Gold covering industry, 33.Mesta used twine mills, 34.Paper and paper boards, 35. Straw board and hand made paper manufactory, 36. Power loom industry, 37. Wood working establishments, 38. Woolen carpeting and shawl weaving establishments.

a) Establishments employing up to 300 workers (including contract workers)
b) Establishments employing more than 25% of total workers on contract basis
c) Establishments engaged in high risk activities as specified above.

Medium risk establishments:

On the same basis the following establishments are categorized as medium risk establishments.

1.Clubs and canteens, 2. Electronics industry, 3.Fisheries and sea foods, 4. Garment and allied manufacturing industry, 5. 6.Hospitals, Nursing homes and clinics other than Govt. Hospitals and dispensaries, 7. Salt pans, 8.Soft drinks and aerated water manufacturing units, 9.Handloom weaving, 10.Printing press including litho and offset printing etc.

Establishments employing more than 300 workers (including contract workers) and the contract workers engaged being less than 25% of total workers and the activity of the establishment is of medium risk as specified above are medium risk establishments.

Third party Certification:

All medium risk establishments are allowed third party certification and shall not be inspected by the Department. The A.P. Productivity Council shall be empanelled for third party certification of establishments falling under the category of medium risk establishments.

A list of medium risk establishments shall be placed in the inspection portal of the labour department for the information of employers. The employers of all medium risk establishments shall furnish every year combined online annual return-cum-self certification in accordance with the Integrated Registration Act along with third party certification.

8. Allocation of establishments on the basis of G.O.Ms.No.33:

Establishments to be inspected online by the inspecting officers are allotted on the basis of norms specified in G.O.Ms.No.33, dated 27.08.2002 as follows:

(a) Assistant Labour Officer:

Shops & Establishments: up to 10 workers,
Beedi & Cigar establishments: up to 50 workers,
Motor Transport Undertakings: up to 50 workers,
Building & Other Construction establishments: up to 25 workers.

(b) Assistant Commissioner of Labour:

Shops & Establishments :up to 30 workers
Hospitals & Nursing Homes: up to 50 workers
Factories Notified u/section 85 of the Factories Act, 1948,
Beedi & Cigar Establishments: above 50 workers,
Motor Transport Undertakings: above 50 workers,
Contract Labour Establishments: up to 100 workers (workers in Principal Employer establishment),
Building & Other Construction establishments: up to 50 workers.

(c) Deputy Commissioner of Labour:

Shops & Establishments: above 30 workers,
Hospitals & Nursing Homes: 51 to 100 workers,
Factories: up to 300 workers,
Motor Transport Undertakings in Factories,
Contract Labour Establishments of Principal Employer: 101 to 300 workers,
Building & Other Construction Establishments: up to 100 workers.

(d) Joint Commissioner of Labour:

IT Establishments,
Star Hotels,
Hospitals :above 100 workers,
Contract Labour establishments: above 300 workers,
Inter State Migrant workmen establishments: above 300 workers,
Factories: above 300 workers,
Building & Other Construction Establishments: above 100 workers.

(e) Joint inspection by Labour & Factories Departments:

Factories Department is also implementing online inspection system which allots factory establishments to the inspectors of factories for online inspection. The list of factories allocated for online inspection by the factories department shall be made available to the Labour Department through web service. The online inspection portal of the labour department will also allocate factories as per the risk categorization. The factories commonly figured in both lists will be identified and indicated in the portal to the respective inspecting officer of the labour department to enable him / her to take up joint inspection of such common factories in consultation with the respective inspector of factories.

The Director of Factories shall take necessary action to enable joint inspections accordingly.

9. Establishments exempted from online inspection:

1. Start Up Establishments for a period of 3 years from the date of commencement of work / business.
2. All low risk establishments (establishments having no employees).
3. Establishments under SEZs / EPZs.
4. Establishments submitted combined annual return and having no violations consecutively for 3 years.
5. Any other establishment specifically exempted by the Govt.
6. Establishment inspected in the first year will be exempted for the next 2 years for inspection by any inspecting officer.

10. Number of days of inspection and Number of inspections per day:

As per the feedback of the field officers of the department, the number of days to be allotted in a month by each inspecting officer for carrying out inspections and number of online inspections to be conducted per day has been assessed and specified as follows:

Name of Officer	No. of inspecting days in a month	No. of inspections per day
Assistant Labour Officer	8	2
Assistant Commissioner of Labour	5	2
Deputy Commissioner of Labour	4	1
Joint Commissioner of Labour	3	1

11. Instructions to inspecting officers and Supervisory Officers:

1. Link for the Online Inspection Portal is provided in the Home Page of Labour Department Web Site at www.labour.ap.gov.in and inspecting officers are required to login with the User ID provided to them. The system sends e-mail/sms to the inspecting officer with details of establishments allotted for inspection on the following day.

2**.** The inspecting officers shall take up online inspection of Establishments as allocated by the system on daily basis. Inspecting officers shall carry out online inspection only and offline and manual inspection is not permitted. Manual inspection of establishments shall be carried out in case of need only on the orders of courts / Government or specific written instructions of the Commissioner of Labour.

3. Online inspection should be conducted physically visiting the respective establishment and the data shall be entered into the inspection portal on the spot using the tablet/PC. All Tablet PCs provided to the inspectors are registered under MDM (Mobile Device Management) system to integrate GPS.

4. The system transmits the Inspection Report to the employer on the spot through e-mail of the Establishment / Employer entered in the Inspection Report and SMS shall be sent to the mobile of the employer of the establishment.

5. On submitting the Inspection report online, MIS Report will be received by the Supervisory Officer who in turn shall record remarks within 2 days.

6. If no remarks recorded by the supervisory officer within 2 days, the system will automatically generate the Inspection order cum Notice based on the Inspecting Officer’s findings and sends by e-mail, to the Employer of the establishment for submission of compliance online.

7. If the supervisory officer records his remarks deviating from the action proposed by the inspecting officer, the inspector shall proceed to generate Inspection Report–cum-Notice accordingly and the system will transmit the same to the employer by e-mail and sends SMS to the Employer.

8. The employer shall submit the compliance within one month through e-mail, failing which the inspecting officer shall proceed to take up further action as per law. The action initiated by the inspecting officer and the outcome shall be updated in the portal regularly.

9. The information about the online inspection shall be publicized by placing in the web site of the department to bring awareness to the employers to comply with the statutory provisions without physical touch point.

6. The Commissioner of Labour shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G. ANANTHA RAMU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner of Labour, Andhra Pradesh, Hyderabad.
The Commissioner, Printing, Stationery and Stores Purchase, Andhra Pradesh, Hyderabad for publication in the Extraordinary issue of Andhra Pradesh Gazette and supply 20 copies to Government, 100 copies to the Commissioner of Labour, Andhra Pradesh, Hyderabad.
The Secretary to Government Industries and Commerce Department,
The Director of Factories, Andhra Pradesh, Hyderabad.
All District Collectors, through Commissioner of Labour, Andhra Pradesh, Hyderabad.
Copy to:
OSD to Hon'ble Minister for Labour.
P.S. to Principal Secretary to Government.

// FORWARDED :: BY ORDER//

SECTION OFFICER